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Hudson's Bay Company

Instructions
FOR
CONDUCTING THE TRADE
IN
HUDSON'S BAY.

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HUDSON'S BAY HOUSE,
31st May, 1810.

INSTRUCTIONS
FOR
CONDUCTING THE TRADE
IN
Hudson's Bay.

FIRST.

HAVING taken into Consideration the State of the Company's Affairs, and the Manner in which they have hitherto been conducted in HUDSON'S BAY, we have resolved to make a Radical Change in the System of Carrying on the Trade.

The chief Alterations are—

- First. The Appointment of Two Officers with the title of Superintendents, and with power within their respective districts to regulate and controul the Chief Factors and other Officers intrusted with the Management of the Trade.
- Second. The Abolition of the Standard of Trade hitherto prescribed, and the Keeping the Accounts in Sterling Money in place of Made Beaver.
- Third. An Entire Change in the principle of the Premiums to be allowed to the Chief Factors and other Officers.
- Fourth. The Limiting the Extent of York and Albany, by establishing Two New Factories, the one to be called *The Saskatchewan*, and to comprehend all the countries on the waters of that name above Cumberland House; the other to be called *The Winipig*, and to comprehend the remainder of the country lying on the waters which run into Lake Winipig.

SECOND.

THE Standard of Trade being abolished, it is now left to the discretion of the Chief Factor, with the approbation of the Superintendent, to trade at whatever rate he judges most advisable, and suitable to local circumstances. He is to direct the proceedings of the Traders within his district, and is authorised to suspend from his functions, any subordinate Officer who is guilty of malversation, negligence, or disobedience. The Chief Factor on the other hand, is to regulate his proceedings according to the instructions he may receive from the Superintendent, who has power to suspend from his functions any Officer whom he judges guilty of improper conduct, and to make an interim appointment in his place. The proceedings in every such case are to be transmitted to the Committee for their ultimate decision; and in like manner an appeal may be made to the Superintendent, from any decision of a Chief Factor, but such appeal is not to stay the execution of his orders.

THIRD.

THE Goods sent out annually will (as hitherto) be consigned to the Chief Factor, who is held responsible for those which he may entrust to subordinate Officers, as well as for those which remain under his own more immediate management.

FOURTH.

AN Officer is to be appointed in each Factory with the title of Accountant, to whom all the transactions of the Factor and of the subordinate Traders are to be communicated. It will be his duty to make up regular accounts, for the accuracy of which he will be held responsible; and he is particularly charged to make up annually, at the period of closing the accounts of the year, a correct Inventory of the Goods on Hand, at every Trading House within the limits of the Factory, as also of the outstanding Debts due by the Indians, and by the Company's Servants. It will also be the Duty of the Accountant, in case the Factor or any Trader be guilty of applying the Property of the Company to improper or corrupt purposes, to report the circumstances to the Superintendent.

FIFTH.

IN the Invoice of Goods consigned to each Factory, every article will in future be charged at a Price in Sterling Money, which will be calculated by adding to the Prices paid in London, an advance sufficient to cover the Expenses of Freight, Insurance, and other necessary charges.

SIXTH.

IN the Account Books, instead of valuing in Made Beaver the Articles traded or expended, they are to be valued in Sterling Money at the Invoice Prices
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of the latest Consignment, which is also to be the Rate of Charge to the Company's Servants, for any Articles which they may receive from the Stores.—But in taking the Remains or Inventories of Stock in Hand at the close of the year, the Goods remaining in Store are to be valued at an Advance, on the Invoice Prices, which is fixed for the present at 10 per Cent. for the principal Factories of Churchill, York, Severn, Albany, Moose, and Eastmain, —at 20 per Cent. for Goods in the Trading Houses within the Districts of these Factories, and 30 per Cent. for those in the two new Factories of Saskatchewan and Winipig.—These Rates are supposed to bear a proportion to the Expenses of Storage, and of Labour incurred in transporting the Goods inland. In taking the Inventories of Stock on Hand at the close of the year, the outstanding Debts due by Indians must be accurately ascertained, and valued according to the Price of the Articles advanced to them, calculated at the Rates allowed for Goods remaining in Store, but deducting One-half from the total amount for the risk of bad debts.

SEVENTH.

AN Account will be stated annually with each Factory, in which the Factory will be debited with,

First. The Stock on Hand remaining from the preceding year, consisting of Goods in Store, and Debts due by Indians, valued as before directed.

Second. The Amount of the Company's Invoice for the year, for Goods and Provisions consigned to the Factory.

Third. The whole yearly Wages of the Men on the Establishment of the Factory, together with the fixed Salaries of the Factors and Traders.

And on the other hand, the Factory will be credited with,

First. The Stock on Hand at the close of the year, consisting also of Goods in Store and Debts due by Indians, valued as before directed.

Second. The Goods, furnished to the Officers and Men, and charged to their Accounts.

Third. The Returns of the Trade of the Factory, which shall be calculated from the Price received at the Company's Sales, after deducting therefrom 10 per Cent. as a Compensation to the Company for the Expense of Freight and Insurance for the Voyage home, and after deducting all Duties to Government on Importation.

The Balance of this Account will be reckoned the net Profit or Loss of the Factory.

EIGHTH.

WE shall distribute One-half of the net Profit of each Factory among the Servants in Hudson's Bay, in the following proportions:

One-third to the Chief Factor;

One third in equal Shares among the Masters of Trading Houses belonging to the Factory.

One-third to go to a general Fund to be contributed by all the Factories, and which shall be divided among the Superintendents, the Accountants of Factories, and other Officers on the general establishment of the Company, in proportions to be hereafter determined.

NINTH.

IN consequence of the large Share of the Profits of the Trade, which is to be allowed to the Officers, it is necessary to reduce the fixed Salaries; and a Scale of the New Rates is transmitted to each Factory. We consider that on the whole, the New Arrangement is calculated to afford a very considerable Increase of Emoluments to the Factors and Traders, in the event of the Trade prospering; and we also expect that under these Arrangements we shall have greater means than hitherto, for promoting and rewarding the Officers who distinguish themselves in the service. The Shares of the Factors and Traders will depend entirely on the Profit of the Trade of their own Factory, and their attention ought to be directed to that object chiefly. The Shares of the Superintendents, the Accountants of Factories, and the other Officers on the general establishment of the Company, will depend on the aggregate Profit of all the Factories, and their attention ought to be directed, not only to the Improvement of each Factory, but to prevent the Trade of one being extended or maintained at the Expense of a greater loss of Trade in another. It will be equally the interest of all the Officers to attend to the Diminution of the general Expenditure.

TENTH.

WE look for an Improvement of the Trade from various sources. We are convinced that with more activity and vigour on the part of the Factors and Traders, a greater quantity of the more valuable Furs may be obtained in the Countries now occupied by the Company's Posts, and with a smaller comparative Expenditure of Goods than hitherto. We are also satisfied that a great Reduction may be made in the Expenditure of European Provisions, which article alone has amounted to a sum, which would have been a very handsome Profit

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on the Trade. We are of opinion that the Rations of Meat hitherto allowed have been extravagant, especially when it is considered that so great a proportion of our men are Natives of a Country, where Butchers' Meat forms scarcely any part of the ordinary diet of the labouring people; and we also have no doubt that the two new Factories of Saskatchewan and Winipig can supply all the other Factories with such a quantity of Pemican and Fat, as will prevent the necessity of sending out Beef, Pork, or Suet from this Country—for these reasons we shall not send out more than One-fourth of the usual quantity of Beef and Pork by the Ships of 1811, and we expect that not a Barrel will be indented for in that year, except the few that may be required for the Factors' table. We likewise expect to find in a few years a very considerable reduction in the annual indent for Flour and other Grain, in consequence of your increased attention to the Gardens, which at all the Posts may produce Potatoes and green Vegetables, and in many cases Indian Corn and other Grain, sufficient for the maintenance of the people on the station; and some of which may in time supply other places situated in a less favorable climate.—A few extra men thus employed may soon raise enough to pay for their wages and at the same time be of great use in strengthening the Post against any Insult.—Even with the number of men hitherto stationed at the different Posts, we are convinced that much more Land may be brought into Cultivation, if the men are employed in that way, whenever they are not particularly required for more pressing business. Though the Trade in the Spring of the year requires a great many hands, yet during the Winter there are intervals of moderate weather, when the men might be employed cutting down trees and clearing the ground, so that a few hands may finally prepare it for the seed. As the Company's Servants have in general had little opportunity of becoming acquainted with the most approved methods of bringing Wood Lands into Cultivation, some instructions on that head have been printed, and several copies are sent to you to be distributed to the different stations.

ELEVENTH.

WE think it would be desirable that the Indians should be encouraged to apply to the cultivation of land, in the immediate neighbourhood of the Factory and permanent Trading Houses, and if through the personal influence of any of the Company's Servants, any leading man among them can be persuaded to cultivate a small spot of ground, and to leave a part of his family there while he goes himself to hunt, we should expect much future advantage from such an example. We are aware, that your success in this object must depend in a great measure on local circumstances, and that the natural aversion of the Indians to restraint, must not be rashly or violently opposed. But as in other parts of America, much has been accomplished by methods of simple persuasion, we are led to hope, that your endeavours will not fail to produce an effect, if you bestow a patient attention, and take every favourable opportunity of impressing on the minds of the Indians the advantages

tages which will thereby result to themselves, and more especially to their families, from a more secure mode of subsistence. This object being once accomplished, the means of conveying religious and other instruction will be easy.

TWELFTH.

WE observe with much concern the reports which we have received, of the illegal and unjustifiable violences committed by the Canadian Traders in many parts of the Company's Territories. The concurrence of testimony to the same effect, from so many various quarters, leads us to believe that this conduct has been adopted by them systematically, and for the express purpose of deterring the Company's Servants from the fair and advantageous prosecution of their trade. We have always been and still are desirous that you should avoid all occasion of violent conflict with any commercial rivals; we have no wish to give any molestation to other Traders, so long as they are content to act on the principles of fair competition. On these principles we have formerly directed, that you should by no means be guilty of any act of aggression against the Canadian Traders. To these principles we still adhere; but forbearance must not be carried so far as to invite aggression, by a tame submission to illegal violence and insult. It appears that in numerous instances, the Servants of the Company have yielded to the violence and threats of the Canadians, and have allowed the Property of the Company to be pillaged, or have been deterred from the exercise of their duty, in prosecuting the trade in the manner most advantageous for their employers. Such abject submission is very different from that moderation which we have recommended. The spirit of aggression and illegal violence, by which the Canadian Traders appear to be actuated can only be repressed by determined firmness on the part of the Company's Servants; and we shall consider as undeserving of our Favor any Officer who shall betray weakness or timidity in the Defence of the Company's just Rights. We expect that you will defend like men the Property that is entrusted to you; and if any person shall presume to make a forcible attack upon you, you have arms in your hands and the Law sanctions you in using them for your own defence. The peril is on the head of the aggressor. We should very much regret, if you were to go one step beyond what the Laws of your country will fully justify; and the moderation which has hitherto characterized the Service, leads us to trust that there is no danger, that the Company's Servants should ever take example from the unjustifiable violence of their Antagonists, or commit acts of deliberate aggression. Perhaps however it may be necessary to caution the less experienced among the Company's Officers, that they will not be justified in retaliating upon one man the offences committed by another, or in any personal violence further than self defence requires; and that they must study on all difficult occasions not to be carried away by any impetuosity of temper, but to act with uniform cool and steady determination. It is perhaps unnecessary to add, that we will on all proper occasions support and protect the Officers of the Company, to the utmost of our power, in this unpleasant but necessary part of their duty. In order that you should

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be enabled to conduct yourselves with propriety in such difficult circumstances, it must be carefully impressed on the minds of all Officers commanding Trading-Houses, or Outposts, that they are held responsible for the conduct of the whole party under their command. And on the other hand it is not less necessary, that the Common Men should be impressed with a proper sense of their duty, to yield most exact obedience to the commands of the Officers set over them. They must be made to feel, that they are not to judge for themselves what is proper to be done, but to do neither more nor less than their Officers shall order them. In this respect errors of the most serious magnitude have prevailed in the Company's Service. Discipline appears to have been relaxed to the most pernicious degree; and we are convinced that the neglect of our principal Officers to enforce due obedience on the part of the Men, has been one most important cause of the decline of the Trade. We are therefore determined in future, that no merit which any individual may possess in other respects, shall be considered as a compensation for a refusal to obey the commands of his superior Officer; and the Chief Factors are desired to pay the most pointed attention to every complaint from an Officer, of disobedience or improper behaviour in any of the Men or inferior Officers under his command, and on no account to overlook an offence of such pernicious example. In any case of an aggravated nature, the Officer must bring the offender to the Factory, or send him there under charge of some confidential person fully acquainted with the circumstances; and the Chief Factor must judge the case with due solemnity. A written charge must be given in by the Officer making the complaint, and the culprit must be allowed an opportunity of stating his defence. The Chief Factor may take as his Assessors any two or more of the most respectable Officers at the place, and openly hear the evidence which may be offered on either side; taking notes of the nature and purport of the evidence, which must be transmitted to the Committee through the Superintendent. If any man is found guilty of disobedience of orders, he must be fined in the full amount of his wages, and sent home by the first opportunity for the further determination of the Committee on his case, unless the Superintendent shall see particular reason to order otherwise.

THIRTEENTH.

IN consequence of the representations which have been received from the different Factories we have determined to send no more men from the Orkneys. A few men have been procured from the Western Islands and Coast of Scotland, where the people are of a more spirited race than in Orkney; but as it was very late this year before the trial was made, the same number or choice could not be expected, and only a few of the best that offered have been engaged. By next season however, as there will be plenty of time to make the people acquainted with the nature of the service and of the country, there is no doubt that any number of excellent hands may be procured; and we shall regulate the number of men to be engaged next year, according to the report which we may receive of the number required at each Factory. We have engaged, besides their wages,

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to give them a certain allowance of clothing as specified in their contracts, and that their rations when supplied with European Provision shall consist of

10 lbs. oatmeal	}	per man per week,
1 barley		
1 pease		
2 meat		
1 fat, or 1 pint molasses,		

or as near that proportion of grain and meat Provisions as may be practicable from the quantity of each article in Store. When fed in whole or in part on Country Provisions, they must receive what is equivalent to these rations. They are to have no trip money or any other allowance, and must pay for any articles they may want from the Stores at the Company's Prices for the year. It would be extremely desirable, that all the men should be on the same footing immediately; and with this view we would agree to give the old servants a similar allowance of clothing, if they consent cheerfully to relinquish trip money and all other allowances, and to be on the same rations with the new men.

FOURTEENTH.

THE Accounts will all be made out for the past season in the old forms, and must be sent home with all the customary particulars.—An additional List however will be required of the Quantity of Goods of every denomination, whether Slops, Stores, or Trading Goods, and European Provisions which may be in the Stores at the Factory and at each Trading House, stated in separate columns, and without being reduced into Made Beaver. Also in so far as may be practicable, a List must be sent of the Quantity of each article which has been advanced on credit to the Indians at each place. We expect that these Lists shall be accurately consistent with fact, and not formed on conjectural estimates. The principle on which the Remains have hitherto been estimated appears to be fallacious, and it does not appear that this fallacy can be avoided, without changing the period of the year at which the Inventories are to be made up. We have therefore fixed on the day on which Stock is to be taken at all the Factories and at every Post. On this day the transactions of the year are to be considered as closing, and to this date the Accounts of the year are in future to be made up.—It is not easy to fix on a day that shall be every where equally suitable; but that which has been named appears to be more generally so, than any other which could be substituted. At that time of the year the navigation is not generally open, and the Goods on Hand must all be actually in the Store of the Factory or some trading Post; at the same time the most important part of the Trade of the year must at that date be all over or nearly at an end. Where any trade is made after the day named, and in time to be sent home by the Ships of the Season, it must be stated as an after-package, and a memorandum of the Quantity of each article of Goods traded, transmitted with the Inventory to the Factory, where the whole Accounts will of necessity

sity be examined, corrected, and finally arranged before they are sent home.— You will therefore take Stock and make up your Accounts on the

1811, and on the same day in every year thereafter; they will be required to be stated according to the inclosed form, as far as relates to the accounting for the disposal of the Goods and Provisions. The account of Mens' Wages, Debts, &c. may be done as heretofore.—The List of actual Remains of 1810 need not be valued: we shall do that here at the Prices of our Invoice of this year, when we come to state the Account with the Factory for the Trade to be sent home in 1811: but the Remains as on the

1811, must be valued at the Prices charged in the Company's Invoices of 1810, and a similar rule followed in succeeding years; you must add at the foot of the Account of the Remains, the 10, 20, or 30 per Cent. advance, as the case may be, which is allowed for the particular Post. And to the Account of Indian Debts you must add the same advance, and then deduct One-half of the total amount for the risk of bad debts. The Officers will commence on the New System, of reduced fixed Salaries and certain Shares of the net Profits, from the period at which the Accounts of 1809-10 are closed; and at the usual period of the year the Balances of their fixed Salaries, stated to be due to them, in the Accounts sent home in 1811, will be paid to their order as formerly. Their Shares of Profit cannot be ascertained until the Sales of the Trade sent home in 1811 are completed; and therefore they cannot know what will be due to them on that head, until the return of the Ships in 1812, by which the Account ordered to be stated with each Factory will be sent out, and the same course will be followed annually. The Accounts of the Officers will thus be kept open for a year, but as this cannot be avoided, and as the fixed Salaries allowed to them are sufficient for their immediate wants, we trust that no great inconvenience will be felt.

